

102 KAR 1:135. Interest credited to accounts.

RELATES TO: KRS 161.440, 161.580, 161.705

STATUTORY AUTHORITY: KRS 161.310

NECESSITY, FUNCTION, AND CONFORMITY: KRS 161.440 provides for crediting interest, as defined in KRS 161.220(13), to the various funds of the Teachers' Retirement System, and KRS 161.580 requires that individual accounts be maintained for each member of the system. This administrative regulation sets out the procedures to be followed in crediting interest to each member's account.

Section 1. Interest at the rate of three (3) percent shall be credited to all member accounts as long as the member is in active status with the retirement system.

Section 2. For purposes of this administrative regulation "active status" means that time during which the member has valid service credit with the retirement system.

Section 3. No interest shall be credited to member accounts during the first fiscal year of membership. Subsequent to the first fiscal year of membership, interest shall be credited as of June 30 of each year of active status.

Section 4. Interest shall be assigned from the guarantee fund to each of the other funds, except the expense fund, at the end of each fiscal year. Interest shall be assigned to individual funds as follows:

(1) The teachers' savings fund and the state accumulation fund shall be assigned equal amounts of interest in accordance with Sections 1, 2, and 3 of this administrative regulation.

(2) The voluntary fund shall be assigned interest in accordance with 102 KAR 1:122.

(3) All other funds, except the expense fund, shall be assigned interest based upon the average month end balance of the fund for each fiscal year. (TRS-17(a); 1 Ky.R. 462; eff. 3-12-75; Am. 2 Ky.R. 7; eff. 9-10-75; 17 Ky.R. 2476; eff. 4-5-91.)